



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Boulder Canyon Project – Rate Order No. WAPA-171

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of Proposed Extension of Electric Service Rate-Setting Formula and Adjustment to Base Charge and Rates.

SUMMARY: The Western Area Power Administration (Western) is proposing to extend the existing rate-setting formula for the Boulder Canyon Project (BCP) through September 30, 2020, and adjust the annual calculation for fiscal year (FY 2016) Base Charge and Rates under proposed Rate Schedule BCP-F9 (Proposed Base Charge and Rates). The existing Rate Schedule BCP-F8 expires on September 30, 2015. This notice of proposed extension of the electric service rate-setting formula and adjustment of the base charge and rates is issued pursuant to 10 CFR part 903.23(a) and 10 CFR part 904. Publication of this Federal Register notice begins the formal process for the proposed extension of the electric service rate-setting formula and the annual calculation of the base charge and rates.

DATES: The consultation and comment period begins today and will end [**INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER**]. Western will hold a public information forum on April 1, 2015, beginning at 10:30 a.m. MST, in Phoenix, Arizona. Western will accept oral and written comments at a public comment forum on April 29, 2015, beginning at 10:30 a.m. MST, in Phoenix, Arizona. Western will also accept written comments any time during the consultation and comment period.

ADDRESSES: The public information forum and public comment forum will be held at the

Desert Southwest Regional Customer Service Office, located at 615 South 43rd Avenue, Phoenix, Arizona, on the dates cited above. Written comments should be sent to Mr. Ronald E. Moulton, Desert Southwest Regional Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, e-mail Moulton@wapa.gov. Written comments may also be faxed to (602) 605-2490, attention: Jack Murray, Rates Manager. Western will post comments received via letter, fax, and email to its Web site at <http://www.wapa.gov/dsw/pwrnkt/BCP/RateAdjust.htm> after the close of the comment period. Western must receive written comments by the end of the consultation and comment period to ensure they are considered in Western's decision making process. For details regarding access to Western facilities, see the **Attendance at the Forum** section in **SUPPLEMENTARY INFORMATION**.

FOR FURTHER INFORMATION CONTACT: Mr. Jack Murray, Rates Manager, Desert Southwest Customer Service Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2442, e-mail jmurray@wapa.gov.

SUPPLEMENTARY INFORMATION:

The existing Rate Schedule BCP-F8, Rate Order No. WAPA-150 was approved by the Federal Energy Regulatory Commission (FERC) for the period beginning October 1, 2010, and ending September 30, 2015.¹ The existing rate schedule consists of a Base Charge and Rates for electric service. The base charge and rates provide adequate revenue to pay all annual costs, including interest expense, and repay investment within the allowable period. The base charge and rates are calculated annually to ensure repayment of the project within the cost recovery

¹ WAPA-150 was approved by the Deputy Secretary of Energy on September 16, 2010 (75 FR 57912 (September 23, 2010)), and confirmed and approved by FERC on a final basis on December 9, 2010, in Docket No. EF10-7-000 (133 FERC ¶ 62,229).

criteria set forth in DOE Order RA 6120.2.

Western proposes to extend the existing electric service rate-setting formula through September 30, 2020, under Rate Order No. WAPA-171, and seek approval of the annual calculation for the FY 2016 Proposed Base Charge and Rates. Under Rate Schedule BCP-F9, Rate Order No. WAPA-171, the Proposed Base Charge and Rates for BCP electric service are expected to increase as a result of projected replacements costs and visitor center costs. The following table lists the Proposed Base Charge and Rates, however, these amounts will change based on actual data published in the FY 2014 financial statements, which are not yet available.

Table 1 – Summary of Electric Service Base Charge and Rates

	Existing Base Charge & Rates Effective October 1, 2014	Proposed Base Charge & Rates Effective October 1, 2015	Percent Change
Composite (mills/kWh)	16.28	19.77	21.43%
Base Charge (\$)	\$61,008,518	\$69,276,468	13.55%
Energy Rate (mills/kWh)	8.14	9.89	21.43%
Capacity Rate (\$/kWmonth)	\$1.61	\$1.82	13.41%

Legal Authority

Since the proposed rates constitute a major adjustment as defined by 10 CFR part 903, Western will hold both a public information forum and a public comment forum. Western will review all timely public comments and make amendments or adjustment to the proposal, as appropriate, consistent with 10 CFR 903.23(a) and 10 CFR part 904.

Western is establishing the electric service Base Charge and Rates for BCP under the Department of Energy Organization Act (42 U.S.C. 7152); the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically

apply to the projects involved.

By Delegation Order No. 00-037.00A, effective October 25, 2013, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the Administrator of Western; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the FERC. Existing Department of Energy (DOE) procedures for public participation in power rate adjustments (10 CFR part 903) were published on September 18, 1985.

Attendance at the Forum

Access to Western facilities is controlled. If you are a U.S. citizen, please be sure to bring an official form of picture identification (that meets the requirement of the Real ID Act), such as a driver's license, U.S. passport, U.S. Government ID, or U.S. Military ID, which you will be asked to show prior to signing in at Western.

If you are a foreign national and plan to attend, please contact Mr. Jack Murray, Rates Manager, (602) 605-2442, e-mail jmurray@wapa.gov, immediately to obtain the necessary form for admittance at Western. To allow time for background checks this form must be completed at least 30 days in advance for visitors from non-sensitive countries; and 45 days in advance for visitors from sensitive countries. Failure to complete this approval process may result in denial of visit.

Availability of Information

All brochures, studies, comments, letters, memorandums, and other documents that Western initiated or used to develop the proposed base charge and rates are available for inspection and copying at the Desert Southwest Customer Service Regional Office, located at 615 South 43rd Avenue, Phoenix, Arizona. Many of these documents and supporting information are also available on Western's Web site at: <http://www.wapa.gov/dsw/pwrmt/BCP/RateAdjust.htm>.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

In compliance with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321-4347 et seq.); Council on Environmental Quality Regulations (40 CFR parts 1500-1508); and DOE NEPA Regulations (10 CFR part 1021), Western is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.

Determination under Executive Order 12866

Western has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget is required.

Dated: January 6, 2015.

Mark A. Gabriel,
Administrator.

[FR Doc. 2015-02559 Filed 02/06/2015 at 8:45 am; Publication Date: 02/09/2015]